

114TH CONGRESS  
1ST SESSION

# S. 408

To amend the Internal Revenue Code of 1986 to modify the rules for tax-exempt enterprise zone facility bonds and to extend the tax incentives for empowerment zones.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 2015

Ms. STABENOW (for herself and Mr. BLUNT) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the rules for tax-exempt enterprise zone facility bonds and to extend the tax incentives for empowerment zones.

1       *Be it enacted by the Senate and House of Representa-  
2 tives of the United States of America in Congress assembled,*

**3 SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Empowering Jobs Act  
5 of 2015”.

1 **SEC. 2. MODIFICATION OF RULES FOR TAX-EXEMPT ENTER-**2 **PRISE ZONE FACILITY BONDS.**

3 (a) IN GENERAL.—Clause (i) of section  
4 1394(b)(3)(B) of the Internal Revenue Code of 1986 is  
5 amended—

6 (1) by striking “References” and inserting the  
7 following:

8 “(I) IN GENERAL.—Except as  
9 provided in subclause (II), ref-  
10 erences”, and

11 (2) by adding at the end the following new sub-  
12 clause:

13 “(II) SPECIAL RULE FOR EM-  
14 PLOYEE RESIDENCE TEST.—For pur-  
15 poses of subsection (b)(6) and (c)(5)  
16 of section 1397C, an employee shall  
17 be treated as a resident of an em-  
18 powerment zone if such employee is a  
19 resident of an empowerment zone, an  
20 enterprise community, or a qualified  
21 low-income community within an ap-  
22 plicable nominating jurisdiction.”.

23 (b) DEFINITIONS.—

24 (1) QUALIFIED LOW-INCOME COMMUNITY.—  
25 Paragraph (3) of section 1394(b) of the Internal  
26 Revenue Code of 1986 is amended by redesignating

1       subparagraphs (C) and (D) as subparagraphs (D)  
2       and (E), respectively, and by inserting after sub-  
3       paragraph (B) the following new subparagraph:

4                 “(C) QUALIFIED LOW-INCOME COMMU-  
5                 NITY.—For purposes of subparagraph (B)—

6                     “(i) IN GENERAL.—The term ‘quali-  
7                     fied low-income community’ means any  
8                     population census tract if—

9                         “(I) the poverty rate for such  
10                     tract is at least 20 percent, or

11                         “(II) the median family income  
12                     for such tract does not exceed 80 per-  
13                     cent of statewide median family in-  
14                     come (or, in the case of a tract lo-  
15                     cated within a metropolitan area, met-  
16                     ropolitan area median family income  
17                     if greater).

18                     Subclause (II) shall be applied using  
19                     possessionwide median family income in  
20                     the case of census tracts located within a  
21                     possession of the United States.

22                     “(ii) TARGETED POPULATIONS.—The  
23                     Secretary shall prescribe regulations under  
24                     which 1 or more targeted populations  
25                     (within the meaning of section 103(20) of

1                   the Riegle Community Development and  
2                   Regulatory Improvement Act of 1994) may  
3                   be treated as a qualified low-income com-  
4                   munities.

5                   “(iii) AREAS NOT WITHIN CENSUS  
6                   TRACTS.—In the case of an area which is  
7                   not tracted for population census tracts,  
8                   the equivalent county divisions (as defined  
9                   by the Bureau of the Census for purposes  
10                  of defining poverty areas) shall be used for  
11                  purposes of determining poverty rates and  
12                  median family income.

13                  “(iv) MODIFICATION OF INCOME RE-  
14                  QUIREMENT FOR CENSUS TRACTS WITHIN  
15                  HIGH MIGRATION RURAL COUNTIES.—

16                  “(I) IN GENERAL.—In the case  
17                  of a population census tract located  
18                  within a high migration rural county,  
19                  clause (i)(II) shall be applied to areas  
20                  not located within a metropolitan area  
21                  by substituting ‘85 percent’ for ‘80  
22                  percent’.

23                  “(II) HIGH MIGRATION RURAL  
24                  COUNTY.—For purposes of this  
25                  clause, the term ‘high migration rural

1                   county' means any county which, dur-  
2                   ing the 20-year period ending with the  
3                   year in which the most recent census  
4                   was conducted, has a net out-migra-  
5                   tion of inhabitants from the county of  
6                   at least 10 percent of the population  
7                   of the county at the beginning of such  
8                   period.”.

9                   (2) APPLICABLE NOMINATING JURISDICTION.—  
10                  Subparagraph (D) of section 1394(b)(3) of such  
11                  Code, as redesignated by paragraph (1), is amended  
12                  by adding at the end the following new clause:

13                  “(iii) APPLICABLE NOMINATING JU-  
14                  RISDICTION.—The term ‘applicable nomi-  
15                  nating jurisdiction’ means, with respect to  
16                  any empowerment zone or enterprise com-  
17                  munity, any local government that nomi-  
18                  nated such community for designation  
19                  under section 1391.”.

20                  (c) CONFORMING AMENDMENTS.—

21                  (1) Clause (iii) of section 1394(b)(3)(B) of such  
22                  Code is amended by striking “or an enterprise com-  
23                  munity” and inserting “, an enterprise community,  
24                  or a qualified low-income community within an ap-  
25                  plicable nominating jurisdiction”.

1                   (2) Subparagraph (D) of section 1394(b)(3) of  
2                   such Code, as redesignated by subsection (b)(1), is  
3                   amended by striking “DEFINITIONS” and inserting  
4                   “OTHER DEFINITIONS”.

5                   (d) EFFECTIVE DATE.—The amendments made by  
6                   this section shall apply to bonds issued before, on, or after  
7                   the date of the enactment of this Act and not redeemed  
8                   before the date of the enactment of this Act.

9                   **SEC. 3. EXTENSION OF EMPOWERMENT ZONE TAX INCEN-**

10                   **TIVES.**

11                   (a) IN GENERAL.—Clause (i) of section  
12 1391(d)(1)(A), as amended by the Tax Increase Preven-  
13 tion Act of 2014, is amended by striking “December 31,  
14 2014” and inserting “December 31, 2016”.

15                   (b) TREATMENT OF CERTAIN TERMINATION DATES  
16 SPECIFIED IN NOMINATIONS.—In the case of a designa-  
17 tion of an empowerment zone the nomination for which  
18 included a termination date which is contemporaneous  
19 with the date specified in subparagraph (A)(i) of section  
20 1391(d)(1) of the Internal Revenue Code of 1986 (as in  
21 effect before the enactment of this Act), subparagraph (B)  
22 of such section shall not apply with respect to such des-  
23 ignation if, after the date of the enactment of this section,  
24 the entity which made such nomination amends the nomi-  
25 nation to provide for a new termination date in such man-

1      ner as the Secretary of the Treasury (or the Secretary's  
2      designee) may provide.

3            (c) EFFECTIVE DATES.—The amendment made by  
4      subsection (a) shall apply to periods after December 31,  
5      2014.

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